

VZCZCXYZ0022  
RR RUEHWEB

DE RUEHWR #2257/01 2971356  
ZNR UUUUU ZZH  
R 241356Z OCT 06  
FM AMEMBASSY WARSAW  
TO SECSTATE WASHDC 2269

UNCLAS WARSAW 002257

SIPDIS

SIPDIS

E.O. 12958: N/A  
TAGS: [OREP](#) [PHUM](#) [PL](#)  
SUBJECT: MEETING SUMMARY FOR STAFFDEL FOLDI IN POLAND

REF: SECSTATE 170983

11. This cable has been cleared by Staffdel Foldi.

#### MINISTRY OF LABOR AND SOCIAL POLICY - THE RULES AND REGS

12. For the governmental perspective, Staffdel Foldi met with Krzysztof Wieckiewicz, Director of the Department of the Public Benefit at the MOL. The 2003 Law on the Organizations of Public Benefit regulates the functioning of NGOs in Poland, setting out mechanisms for financing and functioning of NGOs. The law established the NGO Liaison Council, which includes the representatives of the national government, local government and NGOs, as a forum of discussion and dialogue on the major problems faced by NGOs in Poland. The MOL created a special Citizens' Initiative Fund of \$10 million which supports over seven hundred different NGOs. These funds are reserved every year in the national budget.

13. The 2003 Law sets out the rules of cooperation between the government and NGOs. There is a public announcement for grants in national newspapers and on the Ministry's website, and a transparent bidding and awards process. NGOs also have the right to prepare proposals and present them directly to the ministry, which must officially respond either positively or negatively.

14. A major problem is the late awarding of one-year money. NGOs often receive funds during 3-4Q in the year and must spend it by year's end. The law does not allow for no-year money. To get around this the government and NGOs often work together to implement multi-year projects on the basis of the draft budget. Then, in the second or third year of the project, as soon as the budget is approved, the money goes automatically to a given organization without a new tender.

#### EDUCATION FOR DEMOCRACY FOUNDATION

15. Justyna Janiszewska, Program Coordinator for the Education for Democracy Foundation (EDF) described the group's major project: Regions in Transition (RITA), which is funded by the Polish-American Freedom Foundation, National Endowment for Democracy (NED), and the Stefan Batory Foundation. This supports democratic and free market change in Central Asia and Eastern Europe (Belarus, Ukraine, and Moldova) through partnerships with local NGOs in those countries. EDF's success stories include ISO certification for firms and good-governance programs in a local municipality in rural, eastern Ukraine. It also trains trainers for local NGOs in its target countries and sets up information exchanges between Russian, Belarussian, and Ukrainian NGOs.

16. The above-mentioned funding for RITA, along with MFA funds will total approximately \$3 million this year. Since Poland is often seen as a "success story" in its transition to a democratic society by Eastern Europe and Central Asia, Polish NGOs bring credibility to their projects, especially in Western Ukraine, Kaliningrad, Moldova, and Central Asia. Belarus often sees Poland as a threat, however, and EDF sees resistance to both Polish governmental and civil society groups.

¶17. Despite little governmental interference regarding the execution of its projects, Janiszewska acknowledged the inefficiencies in the government's grants process and the short time period in which NGOs must use GOP money.

#### PARTNERS POLAND

¶18. Director Maciej Tanski and International Project Manager Ilona Ilowiecka-Tanska explained that Partners Poland is a participant in the aforementioned RITA program, receiving funding through it for self-governance projects in Georgia and the Balkans. In a project funded by UNIFAM and the OSCE, they partner with local NGOs in Kosovo to work on short-term rural women's initiatives and have several partnerships with NGOs in Georgia, Azerbaijan, Jordan, and Mongolia for work on clean governance and anti-corruption in those countries. Partners Poland also serves as a court-appointed mediator in both family and business cases, but this is secondary work, as the maximum payment allowed for such services is \$300.

¶19. Tanski acknowledged the open and free environment in which NGOs work but echoed the public money grants problems described above. As a 'subcontractor' for American grant money, he believes that NGOs in developing nations look up to Poland as a model for transition to a democratic society, whereas the American lesson is too foreign. As one Mongolian group described, "the US is the money source and Poland is the content source." However, he believes that American groups provide rational organization and procedural skills and helps develop interpersonal skills.

#### POLISH ACADEMY FOR THE DEVELOPMENT OF PHILANTHROPY IN POLAND

¶10. Tadeusz Schimanek is the Deputy Director of this major Polish NGO that runs a wide variety of educational, promotional, and financial activities to stimulate the development of local NGOs. Funding sources include the national budget (Citizens' Initiative Fund), Polish-American Enterprise Fund, and the Stefan Batory Foundation. Its major programs include community foundations, Benefactor of the Year Competition, Act Locally (program supporting NGOs and civic initiatives benefiting specific local communities, Integrating Generations, and Dialogue for the Future (focused on Polish-Jewish dialogue and multiculturalism).

¶11. Schimanek adds to the chorus, calling the lack of coordination between Ministries and the late-year money "a major headache." Each Ministry has some funds/resources for NGOs, but they act independently and there are no common rules that apply to all Ministries. Under the EU, most of the funds from national budget are earmarked for projects funded partially through EU structural funds, which means that the state money mainly goes well developed organizations, meaning that there are not sufficient funds for smaller, local NGOs, which fulfill very specific (if narrow) roles in their local environment.

#### PAUCI

¶12. The Polish-Ukrainian Cooperation Foundation (PAUCI) is a legacy group from a USAID and GOP-funded organization with the goal of transferring Polish know-how on democratic transformation to Ukraine. Executive Director Jan Pieklo explained how from 1999-2005 PAUCI regranted approximately \$6 million to various Polish and Ukrainian NGOs for projects funded by PAUCI included mainly the enhancement of local government and the decentralization of power.

¶13. When the tri-lateral program ended last year PAUCI became an independent foundation. It receives funds from USAID (\$200,000), the Charles Stewart Mott Foundation (\$200,000), the Global Opportunities Fund (UK - \$1 million for a two-year project developing a professional civil service in Ukraine), and the Polish MFA (\$200,000 for youth exchange programs). PAUCI both regrants funds to Polish and Ukrainian NGOs and implements their own programs. These will include a pilot youth exchange program of approximately 1000 students from Poland and Ukraine.

¶14. PAUCI is currently focusing on anti-corruption programs, the development of small and medium enterprises, and the enhancement of civil society in eastern and southern Ukraine. Future plans include the youth exchange program, and working on changing the perception

of NATO in Ukraine.

¶15. In a recurring theme, the major problem facing PAUCI right now is the short time for utilizing all of the one-year money. The MFA granted \$200,000 just last month and PAUCI must issue a public grants announcement, award a group the money, and spend it all by December 31 of this year. Finding financial sources for re-granting is also a major issue, as most of the funds available right now are for implementation only. The Polish MFA does not have the experience in the re-granting and it is very difficult to convince Polish bureaucrats that this is a normal and common way of financing the activities of NGOs.

HILLAS